



Committed to the future of rural communities.

United States Department of Agriculture
Rural Development

TO: Participating GRH Lenders

FROM: Iowa's USDA, Rural Development Single Family Guaranteed Rural Housing Program (GRH) – September 2006

**** PLEASE DISTRIBUTE TO ALL WHO UTILIZE THE GRH PROGRAM ****

NEW IDEAS

How about hosting a **breakfast** or **lunch-and-learn** for area realtors? We would be glad to join you & present our GRH program! It's getting to be that time of year that slows down & realtors can take a breath & learn. Just drop us an email (heather.honkomp@ia.usda.gov) or give us a call (515-284-4666)!

Guaranteed Rural Housing is #1!

- ☆ True 100% loan
- ☆ No monthly mortgage insurance (PMI)
- ☆ Competitive fixed interest rates
- ☆ Not FICO driven: Emerging Markets
- ☆ Expanded qualifying ratios
- ☆ No maximum purchase price
- ☆ NOT just for first time buyers

Innovative!

- ☆ Generous income limits
- ☆ Downpayment assistance accepted
- ☆ Permanent buydowns allowed
- ☆ 2-1-0 buydowns allowed
- ☆ Creative wealth building options

PLUS Creative, Flexible, & Profitable!

Thank you to all who provided your contact information for the **Preferred Lender List**, per our email 8/18/06. We appreciate all that you do as lenders in Iowa. If it wasn't for you, 700+ families wouldn't be new homeowners this year! Keep up the GREAT work.

We will continue to offer the opportunity to all of our participating lenders in Iowa. The Preferred Lender List is posted on our GRH website for **Applicants** at <http://www.rurdev.usda.gov/ia/rhsquar.html>. **Please visit the new look today!** We hope that this will ensure better references for interested applicants plus support for **YOU**, our customers.

To be added or remain on this Preferred Lender List, lenders must originate at least 6 loans during the previous 12 months and maintain the contact information (email heather.honkomp@ia.usda.gov or fax 515-284-6668).

PROCESSING

We have an **ABUNDANCE OF MONEY** left to carry us through the end of the FY – 9/30/2006. Unfortunately, we are BEHIND last year by 13%. We look forward to working with you to assist more homebuyers than in the past!

Purchase Money Mortgages & Open-End Mortgages are not accepted.

How can that be??? Per Iowa Code Section 654.12B, "The lien created by a recorded purchase money mortgage shall have priority over and is senior to preexisting judgments against the purchaser and any other right, title, interest, or lien arising either directly or indirectly by, through, or under the purchaser."

We often hear that lenders are advised to add "Purchase" to their "Mortgage" in order to ensure that first lien position. We are concerned a preexisting lien could cloud the title.

Participating Lenders may still choose to utilize the **Purchase Money Mortgage** for GRH loans. However, loss claims will not be paid on pre-existing judgments of any kind.

Open-End Mortgages are never acceptable in the GRH program.

NEW ADMINISTRATIVE NOTICES (ANs)

ANs for the last 12 months may be found at http://www.rurdev.usda.gov/regs/an_list.html.

None since the August 2006 newsletter.

USEFUL INFO

Iowa GRH Handbook & Newsletters <http://www.rurdev.usda.gov/ia/rhsg.html>

Property & Income Eligibility <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

RD Properties for Sale <http://www.resales.usda.gov/>

USDA, Rural Development <http://www.rurdev.usda.gov/>

Iowa USDA, Rural Development <http://www.rurdev.usda.gov/ia/>

USDA, Rural Development offices will be **closed** on the following days:

Monday, September 4, 2006 – Labor Day

Monday, October 9, 2006 – Columbus Day

Friday, November 10, 2006 – In Observance of Veteran's Day



Iowa State Office Single Family Housing Staff

Bruce McGuire, Program Director - bruce.mcguire@ia.usda.gov

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Lender Assignments to **RD offices** are based upon the location of the customer's main office. Iowa RD offices may be found at http://www.rurdev.usda.gov/ia/la_locations.html (click on the address or type it into your browser)

To request changes to our email list such as removals or additions, please e-mail heather.honkomp@ia.usda.gov with your request. Be sure to include contact name, business name, location, phone number, and email address. We appreciate your assistance with the maintenance of our email list.

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USDA Rural Development is an equal opportunity lender, provider and employer.
Complaints of discrimination should be sent to: USDA, Director, OCR, Washington, D.C. 20250-9410